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Held at Headquarters, New York, on Monday, 8 November 1999, at 3 p.m.

Chairman: Mr. Sial (Vice-Chairman) ..... (Pakistan)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

Contents

Agenda item 121: Proposed programme budget for the biennium 2000-2001 (*continued*)

First reading (*continued*)

Section 16. Economic and social development in Africa (*continued*)

Section 17. Economic and social development in Asia and the Pacific (*continued*)

Section 18. Economic development in Europe (*continued*)

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In the absence of Ms. Wensley (Australia), Mr. Sial (Pakistan), Vice-Chairman, took the Chair.

The meeting was called to order at 5.10 p.m.

Agenda item 121: Proposed programme budget for the biennium 2000-2001 (*continued*) (A/54/6/Rev.1 (Vol. III), A/54/7 and A/54/16)

First reading (*continued*)

Section 16. Economic and social development in Africa (continued)

1. **Mr. Odaga-Jalomayo** (Uganda) thanked the Controller for the answers he had provided earlier to questions and requested that the answers be provided to the Committee in writing.

2. His delegation had a further question concerning the Integrated Management Information System (IMIS), only Release 1 of which was available in the Economic Commission for Africa (ECA) while Release 2 was expected to be installed during 1999. He asked the Controller what the situation was with respect to the various releases and when all releases would be installed in ECA.

3. **Mr. Halbwachs** (Controller) said that Release 2 of IMIS had been installed in all the major duty stations, including the regional commissions. The installation of Release 3 (the financial and accounting module) was in progress, having already been installed in Vienna and Beirut. By the end of 2000, he expected Release 3 and, if all went well, Release 4 to be installed in all the regional commissions, thus completing the installation.

4. **The Chairman** said that he took it that the Committee had completed its first reading of section 16 of the proposed programme budget for the biennium 2000-2001 and wished to refer that section to informal consultations for further consideration.

5. *It was so decided.*

Section 17. Economic and social development in Asia and the Pacific (continued)

6. **The Chairman** invited the Committee to consider section 17 of the proposed programme budget for the biennium 2000-2001. In that connection he drew the Committee's attention to the recommendations of the Committee for Programme and Coordination contained in paragraphs 300 to 302 of its report (A/54/16).

7. **Ms. Aragon** (Philippines), speaking on behalf of the member States of the Association of South-East Asian Nations (ASEAN), Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Viet Nam, reaffirmed her support for the multifaceted role of the Economic and Social Commission for Asia and the Pacific (ESCAP) as the only intergovernmental forum for regional cooperation for the economic and social development of the Asia and Pacific region as a whole. The proposed programme of work for 2000-2001 was the first programme formulated on the basis of the cumulative reform efforts of ESCAP and had a streamlined structure reflecting a reduction in the number of subprogrammes from 10 to 7, as approved by the General Assembly at its fifty-third session.

8. Her delegation supported the four main priority areas identified by the Commission in paragraph 17.5 of the proposed programme budget (A/54/6/Rev.1 (Vol. III)) as well as the continuing focus by ESCAP on regional economic cooperation, poverty alleviation and environment and natural resources development, as detailed in paragraph 17.6. It was pleasing to note in paragraph 17.8 that ESCAP's work programme for the next biennium would give emphasis, in particular, to research and analysis of the effects of the economic and financial crisis and the formulation of recommendations on ways and means for countries to respond to it. In that connection, her delegation attached particular importance to subprogramme 15.2 and welcomed the proposed resource growth of 5.4 per cent. Her delegation also welcomed the information in paragraph 17.9 that efforts would be intensified towards gender mainstreaming in ESCAP's work programme and supported activities in subprogramme 15.3 aimed at promoting gender equality and the advancement of women through economic and social empowerment, and the proposed resource growth of 15.5 per cent for that subprogramme.

9. In common with a number of countries, particularly the least developed, landlocked and island developing countries, her delegation was concerned at the shift in the mode of information dissemination from traditional publications to electronic issuance over the Internet. It was important for the technical publications of ESCAP to continue to be provided through traditional means in order to address the concerns of those countries.

10. While her delegation was pleased with the proposed resource growth in some of the subprogrammes under section 17, it was concerned that, as indicated in table 17.1, ESCAP's overall budget in the last two bienniums had been decreasing and would further decrease by 0.3 per cent for 2000-2001. It was also a matter of concern that, according to the information given in paragraph V.37 of the ACABQ

report (A/54/7), the decrease had affected the delivery of technical cooperation programmes.

11. Her delegation shared the concern expressed by the Committee for Programme and Coordination (CPC) in paragraph 300 of its report (A/54/16) concerning the high vacancy rate at ESCAP, which could adversely affect implementation of its work programme. She asked for an explanation of the vacancy rates as of 31 May 1999 noted in paragraph V.40 of the ACABQ report, namely 8.8 per cent in the Professional category and 6.1 per cent in the General Service category. ESCAP and other regional commissions that had similar problems should be accorded priority when the Office of Human Resources Management was reviewing likely candidates for transfer to offices away from Headquarters.

12. ASEAN supported the conclusions and recommendations of CPC contained in paragraphs 300 to 302 of its report (A/54/16) and considered that a careful review of ESCAP's resource requirements was necessary in order to ensure that the proposed reduction in the overall level of the budget for section 17 would not adversely affect the efficient and effective implementation of mandated programmes and activities.

13. **Mr. Kondo** (Japan) noted that table 17.1 showed a proposed decrease in overall resources under the regular budget of 0.3 per cent, whereas there was an increase of 13.2 per cent in the same table for policy-making organs; his delegation requested an explanation of the latter figure.

14. Referring to table 17.4, he noted that a percentage increase of 420.1 per cent was envisaged for consultants and experts. His delegation could not see any justification for such an increase and asked whether any other unusual element was foreseen in the estimate.

15. Under subprogramme 15.2, he noted the substantial increase shown in table 17.11 for consultants and experts, travel and contractual services and asked for further details of those increases.

16. His delegation was particularly concerned at the high vacancy rate in view of the high costs envisaged for consultants. His delegation shared the view of ACABQ that the long delays in recruitment, reclassification, placement and transfers between units in the United Nations system undermined the ability of those units to deliver their output adequately.

17. **Mr. Zhou Qiangwu** (China) said that his delegation supported the statement made by the representative of Guyana on behalf of the Group of 77 and China on part V and expressed appreciation at the research that had been carried out by ESCAP concerning ways of coping with the economic crisis in the region and the serious damage to economic and social development. As the ESCAP countries continued their development and faced the challenges of the new century, it was important for the Commission to receive adequate support. It was therefore a matter of regret that the regular budget of ESCAP would see a further decrease of 0.3 per cent. On that issue his delegation agreed with the statements by the representatives of the Philippines and Japan. His delegation agreed with CPC that the vacancy rate was too high and felt that it would inevitably have an adverse effect on the implementation of programmes. He requested the Secretariat to provide updated information on the vacancy rate.

18. **Mr. Hamidullah** (Bangladesh) said that his delegation supported the statement by the representative of Guyana on behalf of the Group of 77. In spite of the importance of ESCAP in a region that included nearly half of the world's population, there had been a gradual reduction in resources, including extrabudgetary resources, available to the Commission. In that connection his delegation shared the views already expressed by the representatives of the Philippines and China.

19. His delegation shared the concern that had been expressed by CPC in paragraph 300 of its report (A/54/16) concerning the high vacancy rate and noted that a similar situation obtained at ECA. More decentralization was needed in order to bring down the vacancy rates. The ACABQ report (A/54/7) referred to steps taken by the Secretariat to reduce the vacancy rate and his delegation would welcome further details of the results achieved.

20. Referring to paragraph 17.12 of document A/54/6/Rev.1, he said that his delegation supported the introduction of new technology but pointed out that many Governments and organizations had difficulty in accessing the Internet so that there was a continuing need for publications to be issued in hard copy.

21. **Mr. Repasch** (United States of America) said that in general his delegation supported ESCAP's activities and was particularly attached to the subprogrammes on transport and statistics, which addressed needs not covered by other organizations. Those activities that duplicated the work of other international organizations and non-governmental organizations should be eliminated. His delegation had serious reservations about the subprogrammes on regional economic cooperation and poverty alleviation. ESCAP could also benefit from increased oversight and better programme coordination.

22. He noted from the report of ACABQ (A/54/7) that the vacancy rate for ESCAP had been 10.5 per cent in April 1999 and asked the Secretariat if there had been any change since then. He also drew attention to the recent finding by OIOS that the United Nations Conference Centre at Bangkok was seriously underutilized. It appeared from the OIOS report that a subsidy of $1.53 million a year was paid to the Conference Centre and he asked what the Centre's operating costs and revenues were. Estimated income for the Centre for the biennium seemed low in comparison with costs, and he asked for clarification of that point.

23. **Mr. Sach** (Director, Programme Planning and Budget Division) said that there had been some progress with respect to vacancy rates at ESCAP, which, at the end of September 1999, had stood at 9.4 per cent in the Professional category and 4.4 per cent in the General Service. The second performance report, which would be available in late November, would contain information, as requested by ACABQ, on all sections of the budget with vacancy rates higher than the budgeted standard and, where possible, explanations for those rates.

24. While there had been an upward trend in the number of ESCAP publications issued electronically, all publications, both recurrent and non-recurrent, continued to be made available in hard copy.

25. The increased requirements of ESCAP policy-making organs with respect to consultants and experts were related to the panel discussion that would take place as part of the ministerial segment of the annual session of the Commission as indicated in paragraph 17.17 of the proposed programme budget, while the increased amount under contractual services had been requested in order to provide for editorial services during periods of peak workload, as explained in paragraph 17.19.

26. More detailed information on the operating costs of the United Nations Conference Centre at Bangkok would be provided in informal consultations. It must be borne in mind that the Conference Centre had been established not as a revenue-producing operation, but to accommodate ESCAP meetings. Nevertheless, the Commission was seeking to maximize revenue from external users in order to amortize the initial investment. It was inevitable, however, that annual operating costs would exceed revenue.

27. **Mr. Repasch** (United States of America) said that, while he understood that the Conference Centre had not been established as a revenue-producing operation, it was difficult to accept that it currently stood empty for as much as 85 per cent of the time. He looked forward to receiving fuller information on the operating costs. He also wished to know whether there was a separate cost-accounting system for the Conference Centre.

28. **Mr. Sach** (Director, Programme Planning and Budget Division) said that the rate of utilization of the Conference Centre reflected the needs of the Commission. Efforts were being made, however, to find external users. A separate cost line was maintained, which enabled the costs associated with the operation of the Conference Centre to be distinguished from the Commission's support costs.

29. **Ms. Aragon** (Philippines) said that her delegation strongly supported the Commission's activities in the areas of regional economic cooperation and poverty alleviation and rejected the view that those activities should be eliminated.

30. **The Chairman** said that he took it that the Committee had completed its first reading of section 17 of the proposed programme budget for the biennium 2000-2001 and wished to refer that section to informal consultations for further consideration.

31. *It was so decided.*

Section 18. Economic development in Europe (continued)

32. **The Chairman** invited the Committee to consider section 18 of the proposed programme budget for the biennium 2000-2001. In that connection he drew the Committee's attention to the recommendations of the Committee for Programme and Coordination contained in paragraphs 311 and 312 of its report (A/54/16).

33. **Mr. Repasch** (United States of America) expressed satisfaction at the progress of the reform process under way in the Economic Commission for Europe (ECE). The Commission had the least academic and most useful programme of work of the five regional commissions, although certain low-value elements had been retained, including subprogramme 16.6, Trade, industry and enterprise development, and subprogramme 16.8, Human settlements. His delegation considered that the Commission should meet biennially, rather than annually as it currently did.

34. **Mr. Kondo** (Japan) welcomed the enhanced presentation of the section. The indicators measuring accomplishments should, however, be further refined and measures should be developed for appraising the extent to which publications reached their target groups. His delegation supported the establishment of a new P-4 post for the planning and execution of all information activities of ECE in the light of the abolition of a post at the same grade

previously provided by the Department of Public Information, United Nations Office at Geneva.

35. **Ms. Buergo Rodríguez** (Cuba) sought clarification regarding the statement in paragraph 18.14 that resources for administration and conference and general services for ECE, unlike those for other regional commissions, were not included under the Commission's own programme budget.

36. **Mr. Ivashchenko** (Ukraine) said that his delegation, which attached special importance to the activities of ECE, was deeply concerned at the decrease of $265,600 with respect to the requirements under programme of work, and wished to have additional information concerning the likely impact of the decrease on the Commission's substantive activities. It should also like to know what accounted for the dramatic decline in the level of extrabudgetary resources expected to be available to the Commission in the biennium 2000-2001. With regard to the executive direction and management component, he asked whether the increase of $12,300 under contractual services would be sufficient to remedy the delays in translation and printing, which occurred even where submissions were made well in advance, and what steps had been taken to implement the recommendation of ACABQ (A/54/7, para. V.67) that the Secretary-General should review the resources allocated for travel and make justified proposals for increases or redeployments where necessary since those resources might not reflect adequately the needs of ECE given the expansion of its membership in recent bienniums.

37. **Mr. Orr** (Canada) commended ECE for indicating clearly those resources that were to be provided by the United Nations Office at Geneva for administration and conference and general services. Noting that work under subprogramme 16.3, Statistics, would be steered by the Conference of European Statisticians under the joint auspices of ECE and the United Nations Statistical Commission, he requested additional information regarding the respective areas of expertise of ECE and the Department of Economic and Social Affairs (DESA) and the efforts taken to avoid duplication of work.

38. **Mr. Sach** (Director, Programme Planning and Budget Division) said that the resources for administration and general services for ECE and for conference services were included under sections 27E (Administration, Geneva) and 2 (General Assembly affairs and conference services), respectively, of the programme budget, because of the unique position of ECE, which, unlike the other regional commissions, was located at the seat of an established United Nations office and received services from that office. The value of those services was indicated in paragraph 18.15 in order to properly reflect the total costs of running the Commission and to permit a valid comparison among the various regional commissions.

39. The delays in translating and printing ECE publications were largely due to organizational problems, rather than lack of resources. Conference and printing services at the United Nations Office at Geneva were sometimes overloaded because of the demand for parliamentary documentation. During those peak periods, the Commission needed to have the flexibility to make use of external production, and the increase of $12,300 had been requested to that end.

40. It had been proposed that total travel resources for ECE should be maintained at the same level as the appropriation for 1998-1999. The adequacy of that amount would be considered in the context of his Department's review of the second performance report and adjustments would be made if necessary.

41. The statistics subprogrammes of ECE and DESA were carefully integrated in order to avoid overlapping.

42. **The Chairman** said that he took it that the Committee had completed its first reading of section 18 of the proposed programme budget for the biennium 2000-2001 and wished to refer that section to informal consultations for further consideration.

43. *It was so decided.*

The meeting rose at 6.05 p.m.